

NEWS RELEASE



United Engineers Limited Receives In-Principle Approval for Rights Issue

SINGAPORE, 30 December 2008 – **United Engineers Limited** (the “Company”), a premier engineering company with design, build and manage capabilities, proposes to carry out a renounceable underwritten rights issue (the “Rights Issue”) of up to S\$136,465,729 in aggregate principal amount of one per cent. convertible bonds due 2014 (the “Convertible Bonds”).

The Company is pleased to announce that in-principle approval has been obtained from Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 29 December 2008 for the listing and quotation of the Convertible Bonds and Conversion Stock Units (as defined in the SGXNET Announcement dated 30 December 2008 in relation to the Rights Issue (the “Announcement”)) on the Main Board of the SGX-ST, subject to certain conditions as set out in the Announcement.

Each Entitled Stockholder (as defined in the Announcement) will be entitled to subscribe for three (3) Convertible Bonds at S\$1.00 each for every five (5) ordinary stock units (“Stock Units”) in the capital of the Company held as at the books closure date.

The Convertible Bonds will have the following key features:

- Issued at 100% of the principal amount or S\$1.00 for each Convertible Bond
- Fixed interest of one per cent. payable annually in arrear
- Maturity date of five years from the date of issue
- Convertible into Stock Units based on the Conversion Price (as defined in the Announcement)
- Marketable security to be listed and traded on the SGX-ST, subject to SGX-ST’s shareholding spread requirements being met

A summary of the principal terms of the Rights Issue and Convertible Bonds can be found in section 2.1 of the Announcement.

Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) has been appointed as the Manager and Underwriter of the Rights Issue.

In view of the current market conditions, the Company believes that the Rights Issue is the most appropriate method of fund raising. The Company intends to utilise the net proceeds from the Rights Issue for general corporate purposes including general working capital or making strategic investments and/or acquisitions.

Mr Jackson Yap, Group Managing Director and Chief Executive Officer of the Company commented, “The proceeds from the Rights Issue will enable the Company to strengthen its balance sheet. This will allow the Company to invest in value creating opportunities that are present in these tight-credit market conditions.”

The Rights Issue is subject to the approval of Members of the Company at an Extraordinary General Meeting to be convened. To demonstrate their commitment to the Company, OCBC Bank and Great Eastern Holdings Limited have each irrevocably undertaken to, *inter alia*, procure that certain of its subsidiaries subscribe and pay in full for their entitlements of Convertible Bonds to be issued pursuant to the Rights Issue and vote in favour of the resolution to approve the Rights Issue at the EGM.

The SGX-ST’s in-principle approval and the listing and quotation of the Convertible Bonds and the Conversion Stock Units are not to be taken as an indication of the merits of the Company, its subsidiaries, the Convertible Bonds, the Conversion Shares (as defined in the Announcement) or the Conversion Stock Units.

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Note: This press release should be read in conjunction with the full text of the Announcement. A copy of the Announcement is available on www.sgx.com.

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About United Engineers Limited

Established in 1912, the Company is a reputable corporation with key activities in Engineering, Construction and Integrated Facility Management. The Company's strong track record and end-to-end capabilities from design, build, to manage have given it a competitive edge in today's business. One of the first listed companies in Singapore, the Company today has more than 5,000 employees and operations in about 12 countries across the Asia Pacific region.

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